



[Annual Performance Report 2015/2016]

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Legislative mandate

The Annual Performance Report (APR) for Sekhukhune Development Agency for the financial year 2014/2015 has been prepared in compliance with the provisions of the Local Government Municipal Finance Management Act which provides as follows:

Section 121 (3) (c) of the Local Government Municipal Finance Management Act, 2003 (Act no. 56 of 2003)

“the annual report of the municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the municipal Systems Act”

Section 46 (1) of the Local Government Municipal Systems Act, 2000

“a municipality must prepare for each financial year an annual report consisting of-

(a) a performance report reflecting-

- (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year*
- (ii) the development of service delivery priorities and performance targets set by the municipality for the following financial year, and*
- (iii) measures that were or are to be taken to improve performance*

Sekhukhune Development Agency (SDA) is 100% owned by the Sekhukhune District Municipality and as a municipal entity, it is also required to comply with the basic requirements of the Local Government Municipal Systems Act 32 of 2000 read together with the provision of the Local Government Municipal Finance Management Act of 2003. The SDA has therefore also prepared its annual performance report in terms of the same guidelines and law provided for by the two above mentioned legislative provisions.

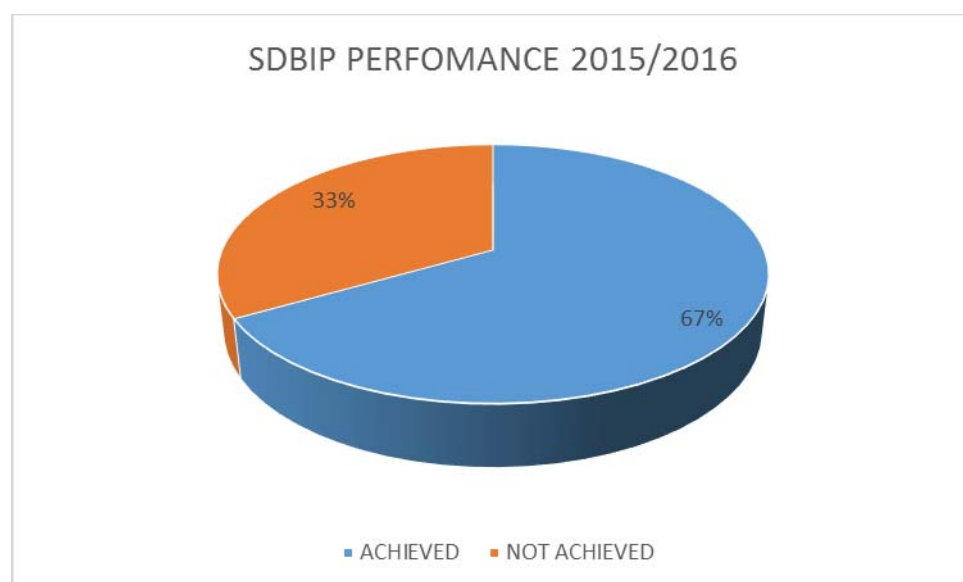
The reader should take note that Sekhukhune Development Agency does not have its own Performance Management Unit and has an agreement with the parent municipality

to utilise the performance management unit of the parent municipality for planning, monitoring and evaluation of its performance.

Overview of Sekhukhune Development Agency Performance 2015/2016 financial year

In the 2015/2016 financial year, Sekhukhune Development Agency set 6 targets for the year. At the end of the period 4 targets were achieved compared to 2 targets that were not achieved. This therefore placed the overall performance of the Sekhukhune Development Agency at 67% at the end of 2015/2016 financial year.

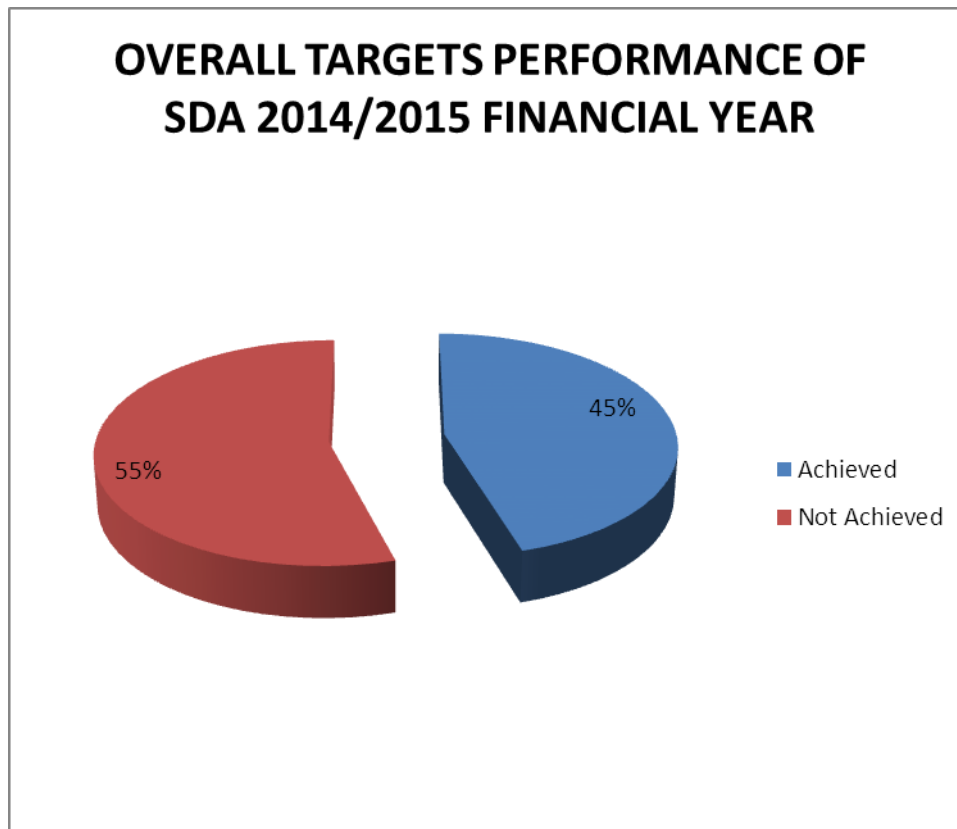
The figure below further illustrates the same scenario as depicted in the table above



Overview of Sekhukhune Development Agency Performance 2014/2015 financial year

In the 2014/2015 financial year, Sekhukhune Development Agency set 11 targets for the year. At the end of the period 5 targets were achieved compared to 6 targets that were not achieved. This therefore placed the overall performance of the Sekhukhune Development Agency at 45% at the end of 2014/2015 financial year.

The figure below further illustrates the same scenario as depicted in the table above:

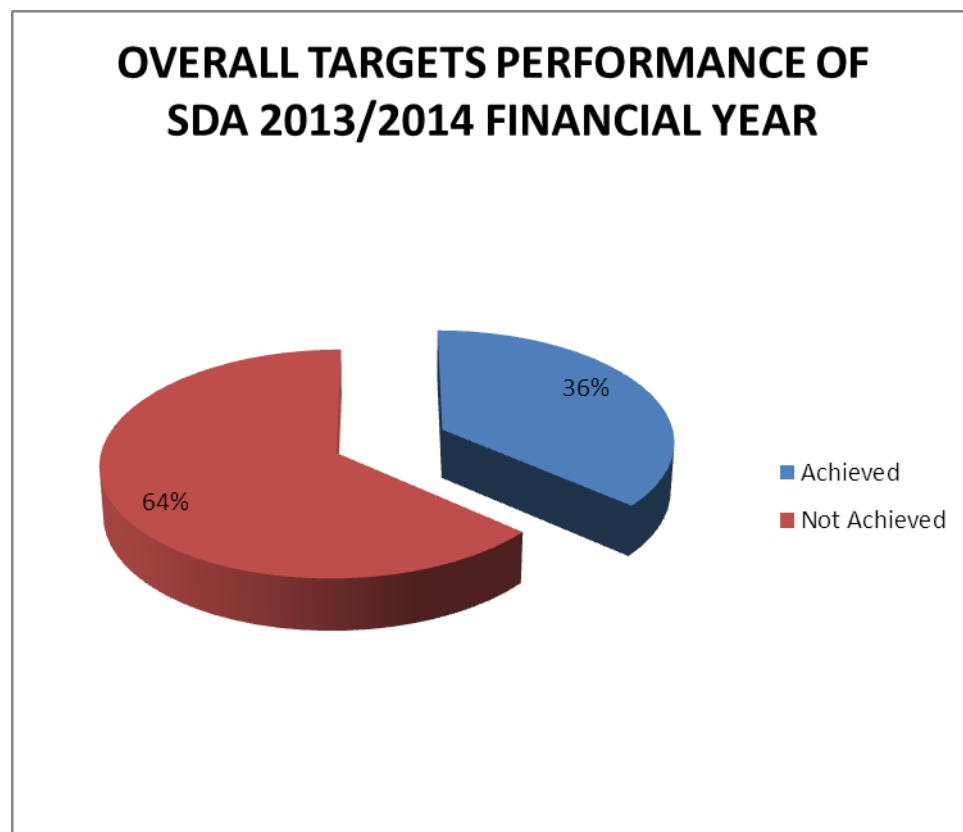


The prevailing legislation also provides that when the Sekhukhune Development Agency assesses its performance for year under review, it is also a requirement that such performance be compared with the previous financial year. Below is information relating to the 2013/2014 annual performance for Sekhukhune Development Agency.

Overview of previous year SDA performance 2013/2014

Sekhukhune Development Agency (SDM) has during 2013/2014 financial set 11 targets for the period July 2013 up to and including June 2014. The targets were allocated in terms of those that promote local economic development and those falling under

administration. The figure below indicates the performance of Sekhukhune Development Agency during the 2013/2014 financial year.



SDA set 11 targets during the 2013/2014 financial year and based on these targets, 4 were achieved as compared to 7 that were not achieved and the overall performance of SDA is depicted as per the figure above.

Service Delivery and Budget Implementation Plan 2015/2016

Section 53 (1) (ii) of the Local Government Municipal Systems Act, 2003 provides that the major of the municipality is charged with the responsibility to consider and approve the Service Delivery and Budget Implementation Plan for 2015/2016 financial year.

For 2015/2016 financial year, Sekhukhune Development Agency has set 6 targets to deal with issues of economic development. The amount of R5.9 Million has been put aside in the 2015/2016 financial year to address these targets.

Performance of service providers 2014/2015

Name of service provider	Performance score	Services rendered
Paseka consulting	2	Feasibility study for Tswenyane Project
Thaneka consulting	3	Steelpoort town regeneration study
Kgomo valuers	3	Land valuation
Mudzi Consulting	1	Jobs fund application abattoir & fresh produce market
Great North consultants	1	Sekhukhune Feedlot Construction

Performance of service providers 2015/2016

Name of service provider	Performance score	Services rendered
Tladi Associates	2	AFS and Audit Response
Twinny Maria Trading	1	Investment Profile Reprint

Mudzi Consulting	3	Sekhukhune Agri Park Business Plan
Great North consultants	1	Sekhukhune Feedlot Construction

Limitations regarding performance of service providers:

It should be indicated from the outset that the report regarding performance of service providers is determined by SDA as and when the service is being provided and only represents the views from the SDA. The service providers were therefore not party to the evaluation process regarding their performance.

Detailed Performance targets 2015/2016

Separate document attached (Excel format and word)

Tubatse /Praktiseer are having Dispute amongs cooperative members regarding fencing Material	Matter reported to the police Legal Services is handling the matter
Absence of legal entity to operate the activity of project	Legal entity to be registered for the smooth operation of the project
Service provider performance not scientific	Development of measures that will review performance of service providers in a fair and consultative manner and that elements of performance be included in the Service Level Agreements

Conclusion

The annual performance report reflects the performance of Sekhukhune Development Agency during 2015/2016 financial year. The APR also contrasts the performance of the year under review with the performance of the prior year

which is 2014/2015 and 2013/2014. The APR also highlights the performance of service providers that were contracted by the SDA to provide services as part of fulfilling the Agency mandate.

Appendix A: Performance Rating for Service Providers

Level	Description	Rating
Level 5 Outstanding performance	Performance far exceeds the standard expected for the job in all areas of the project. The company has achieved exceptional results against all performance criteria and indicators specified in the service level agreement/contract and maintained this in all areas of responsibility throughout the year.	5
Level 4 Performance significantly above expectations	Performance is significantly higher than the standard expected for the job in all areas. The service provider has achieved above fully effective results against more than half of the performance criteria and indicators specified in the service level agreement /contract and fully achieved all others throughout the year	4
Level 3 Fully effective	Performance fully meets the standard expected for the job in all areas. The service provider has achieved effective results against all significant performance criteria and indicators specified in the service level agreement/contract and may have achieved results significantly above expectations in one or two less significant areas throughout the year	3

<p>Level 2</p> <p>Performance not fully satisfactory</p>	<p>Performance is below the standard required for the job in key areas. The service provider has achieved adequate results against many key performance areas and indicators specified in the service level agreement/contract but did not fully achieve adequate results against others during the course of the year. Improvement in these areas is necessary to bring performance up to the standard expected.</p>	<p>2</p>
<p>Level 1</p> <p>Unacceptable performance</p>	<p>Performance does not meet the standard required for the job. The service provider has not met one or more fundamental requirements and/or is achieving results that are well below the performance criteria and indicators in a number of significant areas of responsibility. The service provider has failed to demonstrate the commitment or ability to bring performance up to the level expected despite efforts to encourage improvement.</p>	<p>1</p>